Cost of Power Per Unit

1822. MISS SAROJ KHAPARDE: Will the Minister of POWER be pleased to state:

(a) the cost of power per unit for industry, agriculture and domestic consumer at present;

(b) how this compare with those which existed at the end of the 7th and the 8th Five Years Plans;

(c) whether cost of power is increasing at a higher rate; and

(d) if so, the steps taken by Government to minimise the cost?

THE MINISTER OF POWER (SHRI P.R. KUMARAMANGALAM): (a) to (c) A statement showing present cost of power per unit for typical load (s) for Industrial, Agricultural and Domestic consumers at present and at the end of 7th & 8th Plan alongwith the increase with respect to the end of 7th plan and 8th plan is given in the statement. *(See* below)

(d) As per section 59 of Electricity (Supply) Act, 1948 fixation of tariff for different consumers *viz.* industrial, Agricultural, domestic etc. is done by SEBs.

Cost per MW installed has been sought to be minimised by allowing tax concessions etc. for power generation projects.

Statement

Showing Average Cost of Power Per Unit

(in Paise/Unit)

S.No.	TYPE OF CONSUMER	COST/UNIT At the end of 7th Plan (1-4-90)	At the end of 8th Plan (1-4-97)	Present (8-12-1998)	INCREASE IN COST/UNIT At w.r.t. End of 7th Plan	w.r.t. End of 8th Plan
1.	INDUSTRIAL 10000 Kw. 60% LF (4380000 Kwh/ Month)	109.66	271.69	287.73	178.07	16.04
2.	AGRICULTURAL S H.P. 10% LF (272 Kwh/Month)	33.51	67.08	73.04	39.53	5.96
3.	DOMESTIC (100 Kwh/Month)	65.70	114.02	123.18	57.48	9.16

Recommendations of Justice P.N. Bhagwati on National Power Policy

1823. SHRI AKHILESH DAS: Will the Minister of POWER be pleased to state:

(a) whether Government have since evolved a National Power Policy, on the basis of recommendations of the Standing independent group on power headed by justice P.N. Bhagwati; and

(b) if so, the details thereof, indicating the main recommendations of the group?

THE MINISTER OF POWER (SHRI P.R. KUMARAMANGALAM): (a) and (b) Government has recently recast the policy on development of mega power projects. According to the revised policy, certain project sites, both in the Public as well as Private sector have been identified for setting up such mega projects which would cater to the power needs of more than one state. The standing Independent Group headed by Justice P.N. Bhagwati, Retired Chief Justice of India, would initially be the apex body to oversee implementation of the mega

private power projects. The principles of competitive bidding would be adhered to as far as possible while obtaining tariff offers for private sector mega projects. These projects are being given certain concessions and are being linked to reforms. It is expected that these projects would result in low tariffs and would also help in cataivsing reforms and accelerating the establishment of systems that would transfer power across states and regions.

In accordance with the policy, a Power Trading Company (PTC) would be established with majority equity participation by Power Grid Corporation of India Ltd. (PGCIL), along with National Thermal Power Corporation (NTPC), Power Finance Corporation (PFC) and other financial institutions. Concerned State Governments/State Electricity Boards (SEBs) would also be co-opted, if found feasible. The PTC would purchase power from the identified private projects and sell it to the identified State Electricity Boards. This would help in project development as the project developer would have to deal with only one agency.

World Bank's Aid to Nathpa Jhakri Power Project

1824. SHRI ANIL SHARMA: Will the Minister of POWER be pleased to state:

(a) the conditions imposed by the World Bank for granting aid to the Nathpa Jhakri Project;

(b) the conditions which remained unfulfilled resulting in the stoppage of aid from the World Bank;

(c) the steps being taken to fulfill the conditions laid by the World Bank so that the project can be completed at the earliest; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF POWER (SHRI P.R. KUMARAMANGALAM): (a) to (d) Nathpa Jhakri HB Project (6x250=1500 MW) is being executed by Nathpa Jhakri Power Corporation (NJPC) — a Joint Venture of Government of India and Government of Himachal Pradesh, both sharing the cost in the ratio of 3:1. The project is being executed with partial financial assistance of US$ 437 million from World Bank. The extended date of loan agreement with World Bank is due to expire on 31st December, 1998. In order to consider further extension of the date for utilisation of World Bank assistance, World Bank has, inter-alia, desired that (i) the financing plan should be firmed up: (ii) Commitment of the Government of Himachal Pradesh should be obtained to release the equity based on the equity released by the Central Government. The World Bank assistance is being utilised by NJPC for the execution of the project.

The revised cost estimates of Rs. 7666.31 crores and revised commissioning schedule of March, 2002 have been firmed up and approved by the Public Investment Board. Government of Himachal Pradesh have agreed to provide equity to the extent of Rs. 958 crores against the equity contribution of Rs. 2875 crores by the Central Government. The funding gap of Rs. 1564 crores after taking into account the equity contribution of the two Governments, internal resources and External Commercial Borrowings by NJPC, is to be made up by raising loan from Power Finance Corporation and/or State Bank of India. The Government of India has recommended to the World Bank to extend the loan closing date upto March, 2002, based on the revised commissioning schedule.

New Infrastructure in Power Sector

1825. PROF. VIJAY KUMAR MALHOTRA: SHRI RAGHAVJI:

Will the Minister of POWER be pleased to state:

(a) whether any decision has been taken for creation of new/additional infrastructure in the power sector; and